

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

EASTSIDE LINCOLN MERCURY, :  
INC., et al., :  
Plaintiffs : CASE NO. C-1-02-567  
-vs- :  
FORD MOTOR COMPANY, :  
et al., :  
Defendants :

Deposition of ROGER M. BEAN, a witness  
herein, taken by the defendants as upon  
cross-examination pursuant to the Federal Rules of  
Civil Procedure and pursuant to agreement among  
counsel as to time and place and stipulations  
hereinafter set forth, at the offices of Statman,  
Harris, Siegel & Eyrich, 2900 Chemed Center, 255  
East Fifth Street, Cincinnati, Ohio, at 9:30 a.m.,  
on October 29, 2003, before Pamela S. Giglio, a  
notary public within and for the State of Ohio.

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1 public accountant, which is a broad spectrum of  
2 expertise, if you will. Accounting, auditing,  
3 consulting, mergers and acquisitions, general  
4 business advice.

5 Q. Are there any fields of expertise  
6 that you hold outside of the accounting area?

7 A. Outside of the accounting area, no.

8 Q. Which of these fields within  
9 accounting have you been asked to give testimony in  
10 this case?

11 A. My purpose in this engagement was to  
12 assist counsel in the damage calculations which  
13 involved analysis of facts and figures, review of  
14 financial statements of the dealerships involved in  
15 this case, the majority of which is, in my opinion,  
16 accounting related relative to the expert report  
17 which I have provided to you.

18 Q. Which aspects of your public  
19 accounting background have you been using in  
20 rendering your report?

21 A. My expertise with automobile dealers  
22 primarily, my expertise with the accounting and  
23 financial aspects of automobile dealers.

24 The issues concerned with the  
25 mergers, sales, acquisition, divestitures of

1 A. Not that I recall, no.

2 Q. What is your understanding of how  
3 vehicle allocation works in the Ford system?

4 A. There is a mathematical calculation  
5 referred to as turn, to turn and/or earn which  
6 derives or drives the initial allocation.

7 There is a concept called coverage.  
8 There are discretionary allocations above and  
9 beyond the mathematical calculation.

10 Q. Where did you -- upon what do you  
11 base that understanding of the allocation system?

12 A. My discussion with personnel at the  
13 Eastside Lincoln Mercury, my reading of depositions  
14 in this case, my discussions of that with Glen  
15 Watkins.

16 Q. Who at Eastside did you speak with  
17 about allocation?

18 A. Mr. Woeste, Mr. Beattie,  
19 B-E-A-T-T-I-E, I believe, and Mr. Woodall.

20 Q. When did you have this discussion  
21 with them?

22 A. Different points in time, '91  
23 through 2000 or through today. Not today, but  
24 through 2003.

25 Q. Have you had a discussion with them

1 as pertains to allocation in this litigation?

2 A. Yes.

3 Q. When did that occur?

4 A. Same time frame, '91 through 2003.

5 Q. Mr. Woeste was contemplating suing  
6 Ford in '91?

7 MR. FLEMER: Objection.

8 THE WITNESS: I'm sorry?

9 BY MS. MCNELLIE:

10 Q. With regard to this litigation?

11 A. I'm sorry, I have the date wrong.

12 Excuse me, 2001. Both those answers should have  
13 been 2001 through 2003. I apologize.

14 Q. Who is Mr. Watkins?

15 A. Mr. Glen Watkins.

16 Q. Who is he?

17 A. Individual knowledgeable in the  
18 automobile business who assisted me in my work in  
19 this engagement.

20 Q. By whom is he employed, do you know?

21 A. I don't know.

22 Q. Do you know where he is?

23 A. Richmond, Virginia.

24 I should say I don't recall who he's  
25 employed by.

1 Q. Did you meet with him in person or  
2 over the phone?

3 A. On the phone.

4 Q. On more than one occasion?

5 A. Yes.

6 Q. Do you know how many times?

7 A. Is a range acceptable?

8 Q. Yes.

9 A. More than 10, less than 20.

10 Q. Do you recall the first time you  
11 spoke to him?

12 A. I recall that I spoke to him the  
13 first time.

14 Q. Was it before you completed your  
15 first report in this case?

16 A. Which would be my first report in  
17 this case.

18 Q. That would be dated --

19 MR. FLEMER: September of '01, I  
20 believe.

21 BY MS. MCNELLIE:

22 Q. Yes.

23 A. It was not prior to September '01.

24 Q. Was it prior to your affidavit that  
25 was attached to the opposition for the motion for

1 summary judgment?

2 A. Yes, ma'am.

3 Q. Was it prior to January of '02?

4 A. I don't remember.

5 Q. What kinds of information did  
6 Mr. Watkins give you specifically about allocation?

7 A. We discussed Ford, Lincoln Mercury's  
8 mathematical formula and the availability of  
9 discretionary vehicles above and beyond the  
10 mathematical calculation.

11 And we discussed the delivery times  
12 where the release date for vehicles ordered by  
13 several of the Lincoln Mercury dealers that are  
14 part of this litigation.

15 Q. Do you know the basis for  
16 Mr. Watkins' understanding of these things?

17 MR. FLEMER: Object.

18 You can answer if you can.

19 THE WITNESS: I don't know.

20 BY MS. MCNELLIE:

21 Q. Did you rely on any of the  
22 information provided to you by Mr. Watkins in  
23 reaching any of your conclusions in this report?

24 A. What do you mean by rely upon?

25 Q. Did you use any of the information

1 that you got from him in reaching any of your  
2 conclusions?

3 A. Yes.

4 Q. Which information did you use?

5 A. There are some exhibits to my report  
6 which, that Glen collaborated with me on. There  
7 obviously is the telephone conversations. I used  
8 the knowledge that I gained from him to draft some  
9 of the verbiage that's in the document, the report.

10 Q. Did you speak with Mr. Watkins about  
11 any other issues other than allocation and delivery  
12 dates and things of that nature?

13 A. I spoke to Mr. Watkins about a  
14 number of issues in the case, but what I have  
15 relied upon in there is in the exhibit and what I  
16 told you.

17 Q. That would be the information  
18 related to whether you have titled vehicle  
19 distribution?

20 MR. FLEMER: Do you mind if he looks  
21 at the report?

22 MS. MCNELLIE: I'll get this, that's  
23 fine. I want to make sure we are talking  
24 about the same topic.

25 Q. Look at Page 8.

1 MS. MCNELLIE: Could we take five  
2 minutes, please?

3 MR. FLEMER: Yes.

4 THE WITNESS: Thank you.

5 (At which time, a short recess  
6 was taken.)

7 MS. MCNELLIE: Back on the record.

8 Q. Can you tell me who prepared  
9 Exhibit 13?

10 A. It's another Excel spreadsheet.  
11 Glen Watkins and I collaborated on this. I think  
12 he prepared this under my supervision or direction.

13 Q. What did you ask Mr. Watkins to  
14 prepare?

15 A. To summarize the information on  
16 Eastside release data from the Ford reports for new  
17 model vehicles in this time frame, and we picked  
18 Lincoln Navigator and Lincoln LS. That's it.

19 Q. Why did you pick Navigator and LS?

20 A. They just happened to be new model  
21 products during the time frame we were looking at.  
22 That's all.

23 Q. Did you look at any other vehicle  
24 lines that you didn't include in your report?

25 A. No.